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UNCLAS TEL AVIV 001721

STATE FOR NEA, NEA/IPA, NEA/PPD

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COMSIXTHFLT FOR 019

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SIPDIS

E.O. 12958: N/A TAGS: <u>OPRC</u> <u>KMDR</u> <u>IS</u>

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

¶1. Mideast

Key Stories in the Media:

All major print media reported about the international protests against the eviction of two Palestinian families from their homes in the East Jerusalem neighborhood of Sheik Jarrah. The media quoted Secretary of State Hillary Clinton as saying that Israel should avoid such acts of provocation, as well as European and Egyptian

objection to the move.

Yediot Ahronot quoted a U.S. official who said that the Saudis are considering granting permission for Israeli airliners to fly over its territory and the opening of trade offices in Israel as steps towards normalization. Yediot also quote Senator George Mitchell's interview with the New York Times from yesterday, saying that the U.S. is not only pressing Israel on the settlements, but also placing pressure on Arab states to take steps towards normalization.

The Jerusalem Post reported that last week's meetings in Jerusalem between top US and Israeli officials significantly improved the atmosphere in the Israeli-US relationship, even though Israel made clear that a full freeze of construction in the settlements over an extended period of time is not a sustainable option.

The media reported on the preparations for the sixth Fatah assembly that will begin in Bethlehem today, with the Jerusalem Post reporting about growing skepticism that Fatah will succeed in implementing major reforms or endorsing a more moderate attitude.

Haaretz reported that the Israel Air Force has begun expanding the types of training they are conducting with foreign armies, opening them up to the media as part of an effort to advertise its long-range capabilities.

The Jerusalem Post quoted an Israeli Defense Ministry official who said that Israel has ordered over 100 LJDAMs (Laser Joint Direct Attack Munitions) from the U.S. for the Israeli Air Force.

All media quoted Foreign Minister Avigdor Lieberman as saying at a press conference yesterday that he will resign his position if indicted on corruption charges one day after police recommended that the Attorney General charge him.

All media, including electronic and television, reported about the arrest of an American citizen living in Israel who allegedly impersonated U.S. federal prisoners and fraudulently claimed taxes on their behalf from the U.S. government.

All media led today's newspapers with a report about the Israeli health ministry's warning of a swine flu pandemic in Israel during the upcoming winter months, and that they expect about 700 people to die from complications relating to the disease.

Mideast
Block Quotes

## ¶I. "An Important Day"

Yossi Beilin, the chief Israeli architect of the Geneva Initiative, wrote in the independent Israel Hayom (8/4): "The sixth Fatah General Congress is not expected to make any dramatic decisions.... Those results are going to have a direct impact on the organization that controls the Palestinian Authority in the West Bank and on the future of the political talks with Israel... The sixth congress is likely to allow Fatah to reinvent itself as a realistic and clear-thinking governing party that understands the needs of the Palestinian people far better than its fanatical adversary... [and] a party that is aware of great advantage of good neighborly relations with Israel. Anyone who wants to see a coalition of sane parties form in our region ought to hope that the congress ends in success."

II. "Obama's Misses"
Orly Azulay-Katz, Washington-based correspondent for the
mass-circulation, pluralist Yediot Aharonot opined (8/4): "Barack
Obama's failure to win over public opinion in Israel does not stem
from the fact that he hasn't bothered to come to Tel Aviv or

Jerusalem to speak directly to the people. His failure stems from the fact that his message is vague and has not given Israelis to understand what future steps are being planned... If the American president were shortly to introduce a plan with a program for its execution, he would succeed in drawing after him a large group of people in the Middle East who have grown weary of wars and who will be prepared to follow anyone who shows them the way.... Obama needs to outline the solution to the core issues, such as borders, Jerusalem and the refugees. Not an imposed solution but, rather, a vision.

## III. "Jews & Sheikh Jarrah"

The conservative, independent Jerusalem Post editorialized (8/4): "It was not a pretty picture. The belongings of two Palestinian Arab families dumped in the street after they were evicted from their homes in the east Jerusalem neighborhood of Sheikh Jarrah ... This area, also known as "Simon the Just," was purchased by Jews at the end of the 19th century during the Ottoman Empire.... Israel finds itself in the anomalous position in which not a single nation recognizes Jerusalem as our capital. All foreign embassies are located in Tel Aviv. Meanwhile, European governments, with Britain often in the lead have invested vast resources ... in promoting Arab claims to east Jerusalem (and the West Bank).... In this particular rivalry, we side with the Jewish groups, because whatever arrangements may ultimately be negotiated for sharing Jerusalem, mainstream Israelis will insist on unfettered access to Mount Scopus via Sheikh Jarrah.... That said, we are not enthusiastic about the purchase of property or the construction of Jewish residential housing in heavily Arab neighborhoods when not dictated by strategic imperatives. Jews and Arabs are destined to share this city. Both peoples would be wise to avoid actions that exacerbate tensions.

## IV. "They are So Extreme"

Middle East security columnist Amos Gilboa wrote in the popular, pluralist Maariv (8/4): "Hamas recently launched a rhetorical "smiley" onslaught.... Khaled Mashal declared ... that Hamas was not opposed in principle to the establishment of a Palestinian state .... Prime Minister Ismail Haniya declared that for the sake of ending the "occupation," Hamas would not be an obstacle to the establishment of a Palestinian state.... top Hamas members called on the West to begin to hold a dialogue with their government.... There were those here who assessed that Hamas was becoming more moderate.... Whether there is something to this assessment or not, what is important is what is actually taking place in the Gaza Strip. A recently published study by the Intelligence and Terrorism Information Center opens a window understanding this process.... Hamas is tightening its control over the population in Gaza, and is preparing for the long term.... the segregation between the Gaza Strip and Judea and Samaria is growing.... Most of the ideas on the issue of the agreement between us and Abu Mazen-such as the "road map" or the "two state" idea-in practice are becoming not realistic."

## ¶V. "Growing Pains"

Senior Op-Ed writer Akiva Eldar commented in the independent, left-leaning Ha'aretz (8/4): "... Netanyahu boasted of the fact that economic growth in the West Bank had reached seven percent.... Without the assistance, though, of the European and American taxpayer, who are paying the salaries of the Palestinian Authority ... the economy of the West Bank would long since have collapsed along with the PA.... The Palestinian economy is not recovering thanks to Israel, but in spite of it.... According to the current report of the International Monetary Fund ... 2009 would end with 7 percent growth ... a statistic that will, for the first time in three years, represent a substantial improvement in the standard of living.... To achieve that goal, it will not be enough to make an announcement to the press about the marvels of the Palestinian economy.... The prime minister would do well to listen to the stone and marble producers in Hebron and their Israeli partners. Let him ask them what damage is being caused to the industry due to arbitrary and illogical decisions by the security officials in charge of the border crossings."